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May 12, 1999

Via Hand-Delivery

K. David Waddell
Executive Director
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37219

Re: In the matter of the Application of NA Communications, Inc. for a Certificate of Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange, Exchange Access and Interexchange Telecommunications Services Throughout the State of Tennessee - Docket No. 98-00597

Responses to May 5, 1999 Data Requests (including Pre-filed Testimony)

Dear Mr. Waddell:

Enclosed for filing on behalf of NA Communications, Inc. ("NACI") are an original and thirteen (13) copies of NACI's Responses to the Authority's May 5, 1999 Data Requests, along with the pre-filed testimony of Cathy J. Davis and Michael K. Davis on behalf of NACI.¹ NACI respectfully submits this information to assist and expedite the Authority's examination of its application in this matter.

Certain responses to the data requests contain proprietary information and are therefore filed under seal. We request that those documents not be

¹ Fax copies of the notarized signatures are attached. The original notarized signatures will be filed with the Authority upon receipt by me via overnight mail.

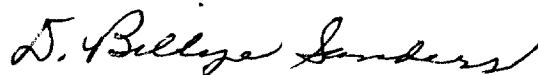
K David Waddell

May 12, 1999

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disclosed to the public. Should any questions arise concerning this filing, please do not hesitate to contact me or Katherine Rolph (202/424-7788).

Sincerely,

A handwritten signature in cursive script, reading "D. Billye Sanders".

D. Billye Sanders
Counsel for NA Communications, Inc.

DBS:lmb
w/Enclosure

cc: Cathy J. Davis
Katherine A. Rolph, Esq.

NA Communications, Inc.
Application for Certificate of Convenience and Necessity
Docket No. 98-00597

Response to May 5, 1999 Data Requests of the
TRA Staff (including pre-filed testimony)

Technical Requirements

1. In regard to the telecommunications network that NA Communications, Inc. ("NACI") proposes to provision in Tennessee, what is the proposed location of the equipment necessary to provide service to end-users (what cities?)

Response:

In connection with its provision of telecommunications service in Tennessee, NACI will install and utilize Class 5 End Office Equipment located in Johnson City, Tennessee. In addition, NACI has a Class 4 access tandem located in Abingdon, Virginia, which will serve the Sprint LATA areas for Eastern Tennessee and Southwestern Virginia. NACI will also utilize Digital Subscriber Line ("DSL") Equipment in the following cities: Johnson City (2 Central Offices), Bristol, Kingsport, Erwin, and Knoxville.

2. Please submit a 3 year capital budget for both the applicant and the applicant's parent company which addresses what specific equipment NA plans to deploy in Tennessee, and the cost of this equipment.

Response:

Please see Exhibit 1. **This Exhibit is filed under seal due to its proprietary and confidential nature.**

Financial Requirements

3. Please provide updated financial statements for the applicant and the applicant's parent company (including an income statement, balance sheet, and statement of cash flows, audited if available) for the most recent period.

Response:

NetAccess' 1998 audited consolidated financial statements are appended hereto at Exhibit 2. Separate financial statements for NACI are contained in

Note J. This Exhibit is filed under seal due to its proprietary and confidential nature.

NACI's parent, NetAccess, completed a private placement offering during the first quarter of 1999. Total equity raised during the private placement was \$925,000. Two hundred thousand dollars (\$200,000) of the offering was fulfilled during 1998, and the remaining \$725,000 was completed during 1999. Six hundred thousand dollars (\$600,000) of the placement was purchased by CFW Communications, an investor-owned ILEC based in Waynesboro, Virginia.

4. Please provide 3 year projected financial statements for the applicant and the applicant's parent company (including an income statement, balance sheet, and statement of cash flows).

Response:

Please see Exhibit 3. **This Exhibit is filed under seal due to its proprietary and confidential nature.**

Miscellaneous

5. Please provide the name and contact information for a NACI representative that the TRA may contact on a going-forward basis regarding NACI's operations in Tennessee.

Response:

The name and contact information for the NACI representative that the TRA may contact on a going-forward basis regarding NACI's operations in Tennessee is as follows.

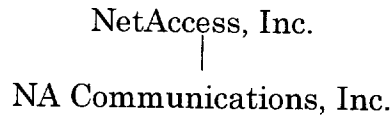
Cathy J. Davis
P.O. Box 2304
Abingdon, Virginia 24212-2304
Telephone: 540.676.3638, ext. 225
E Mail: cathy@naxs.com

NACI also has a toll free customer care number that Tennessee customers may use to contact the company. The number is 1-800-644-7220.

6. Please provide an organizational chart showing NACI's corporate structure.

Response:

NACI is the wholly-owned subsidiary of NetAccess, Inc. The corporate structure is reflected in the corporate organizational chart below.



7. What steps has NACI taken to ensure that their operations are Y2K compliant? If NACI has a Y2K plan in place, please submit a copy.

Response:

NACI has obtained written certification from its vendors that equipment and software provided to NACI is Y2K compliant. NACI and its parent company, NetAccess, completed Y2K testing and system revisions in April 1999 and have no remaining Y2K issues.

8. Upon approval, and prior to offering service, CLECs must file tariffs for their services in Tennessee. Will NACI comply with this requirement?

Response:

Yes, NACI will file its local exchange tariff upon approval and prior to offering local exchange service in Tennessee.

9. (a) Provide NACI's intraLATA toll dialing parity plan for customers in Tennessee.

(b) Indicate whether the plan complies with the March 23, 1999 FCC Order in Docket No. 96-98, and the August 8, 1996 FCC Order in Docket No. 96-333.

(c) Indicate the procedures or steps NACI will use to inform customers of their choices of providers of intraLATA long distance providers.

Response:

A copy of NACI's intraLATA toll dialing parity plan is attached hereto as Exhibit 4.

This plan complies with the requirements contained in the FCC's March 23, 1999 Order.

NACI will provide its customers with a bill insert to notify its customers of their choices for providers of intraLATA long distance services. Furthermore, NACI will require that all primary interexchange carrier ("PIC") change orders be requested directly from the customer or via the account executive in the form of a signed letter of agency ("LOA") or other method prescribed by the FCC and the Authority. PIC change requests from any other source will not be recognized by NACI. These policies comply with the Authority's regulations concerning slamming and are consistent with the FCC's telemarketing and PIC change rules applicable to the long distance industry.

10. For the services NACI plans to provide, will Tennessee customers be required to purchase customer premise equipment which is incompatible with ILEC systems, should the customer decide, for whatever reason, to go back to the ILEC for service?

Response:

NACI will not require customers to purchase customer premise equipment which is incompatible with ILEC systems.

11. Will Tennessee customers be required to incur any non-recurring charges to initiate service with NACI? If so, list these charges.

Response:

NACI's customers will be subject to standard non-recurring installation and service order charges.

12. It has been determined that prefiled, notarized testimony of an authorized company representative is needed for CLEC applications. This testimony needs to affirm that the information submitted in the original application, as well as information contained in the responses to the Staff data request is true and correct. Please submit the prefiled testimony with the responses to this data request.

Response:

Original, notarized copies of the pre-filed testimony of Cathy Davis and Mike Davis on behalf of NACI are attached hereto as Exhibits 5 and 6, respectively.

LIST OF EXHIBITS

- EXHIBIT 1 - Three Year Capital Budget
[Confidential - Filed under seal]
- EXHIBIT 2 - Updated Financial Statements
[Confidential - Filed under seal]
- EXHIBIT 3 - Three Year Projected Financial Statements
[Confidential - Filed under seal]
- EXHIBIT 4 - NACI's IntraLATA Toll Dialing Parity Plan
- EXHIBIT 5 - Notarized Pre-Filed Testimony of Cathy J. Davis
- EXHIBIT 6 - Notarized Pre-Filed Testimony of Michael K. Davis